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CENTRAL INTELLIGENCE AGENCY



Deputy
Director, Office of Legislative Liaison

10 October 1985

NOTE FOR: DCI
DDCI
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Chairman Ford of House Post Office and
Civil Service has announced his design for a
supplemental retirement package. It includes:

Special Pay Category

50-20, high 3 average, full COLA, annuity
based on 1.7% for first 20 years,
1.5% thereafter.

Everyone Else

55-30, high 3, full COLA, annuity based
on 1% accrual, plus a supplement from age
55 until Social Security kicks in.

The Ford package costs 25.5 percent of
payroll which exceeds the Stevens package which
is already higher than what the Administration
wants.

18 OCT 1985

cc: dd/EBS
CIRD

17 October 1985

ANALYSIS OF THE HOUSE'S FORD/OAKAR
PROPOSED SUPPLEMENTAL RETIREMENT PLAN

1. INTRODUCTORY COMMENTS

On 11 October 1985, Chairman William D. Ford and Congresswoman Mary Rose Oakar of the House Committee on Post Office and Civil Service issued a "fact sheet" outlining the primary features of a proposed supplemental retirement plan for Social Security covered Federal employees.

At this time the House has not introduced a legislative bill relative to their proposal.

Public hearings on the draft proposal are scheduled for October 23 and 24.

We can assume that on the basis of input from these public hearings, Chairman Ford will make some changes to the current draft plan. Subsequent to these actions, the Senate and House retirement committee are expected to attempt to resolve serious differences between the Stevens/Roth and Ford/Oakar plans.

2. GENERAL COMMENTS

The Ford/Oakar proposed plan is affirmative in concept and substantially different from the Stevens/Roth proposal. Consistent with earlier statements by Congressman Ford, the Ford/Oakar plan attempts to replicate the current CSRS to the maximum extent possible in the face of having to modify several provisions to accommodate the reality of mandatory social security for covered employees.

The Ford/Oakar plan retains key basic provisions of the current CSRS such as: 55/30 retirement without a penalty reduction for age; a high-three average salary computation base; full COLA; and, meaningful disability and survivor benefits.

The basic defined benefit accrual rate for the new plan is lower (e.g. a flat 1% rate) than the current formulas for regular CSRS employees and a lower rate (e.g. 1.7% for 20 years of service and 1.5% for all years over 20) for special category employees such as law enforcement, fire fighters and air traffic controllers.

To offset the effect of these lower accrual formulas, the basic earned annuities are augmented at retirement by payment of a supplement equal to the projected Social Security OASDI benefit at age 62 between retirement age and age 62. The

ANALYSIS OF THE HOUSE'S FORD/OAKAR
PROPOSED SUPPLEMENTAL RETIREMENT PLAN (cont'd)

combination of the basic defined benefit and the supplement enhances the annuity income but is less than levels provided under the current CSRS. The proposed Voluntary Capital Accommodation Plan would, at additional cost to the participating employee, provide additional replacement income generally comparable to current CSRS levels for those employees who could afford to contribute throughout their career employment. However lower graded employees could be expected to find the additional costs of 6% of pay needed to qualify for 3% government matching too expensive for participation.

The Ford/Oakar proposal in its design, structure and retirement eligibility provisions closely parallels CIA's draft proposal.

The primary deficiencies as regards meeting the Agency's needs are in the low accrual rate for "regular" civil service type employees and dependence on voluntary participation in the capital accumulation plan to develop a reasonable retirement income level.

In brief, the Ford/Oakar plan is relatively close to what the Agency is seeking.

3. SPECIFIC COMPARISONS OF THE OVERALL PROVISIONS OF THE
FORD/OAKAR PLAN

Specific comparisons between the current provisions of the CSRS, the Stevens/Roth, Ford/Oakar and CIA's proposed plans are provided in the attachment.

Attachment



STAT

Comparisons
Provisions of Proposed Supplemental Retirement Plans
for New Federal Employees Employed after 31 December 1985

I BASIC DEFINED BENEFIT PLAN

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens/Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
(1) Administration of the Plan	Under OPM	Under OPM	Internally in CIA under DCI Authority	Under OPM
(2) Employee Groups Covered by Plan				
A. Non-Special Categories	.All	.All	.None	.All
B. Special Categories	- Law Enforcement - Fire Fighters - Air Traffic Controllers	.Same as current CSRS Option A none, except for Social Security Option B 7% (5.7% Soc Sec plus 1.3% to Plan Fund)	.All Non-CIARDS Employees (includes Fire Fighters 7% of total pay (5.7% SocSec plus 1.3% to Plan Fund (1.8% for Fire-Fighters .Social Security employees reaching Social Security maximums would continue to contribute amount to retirement fund equivalent to Social Security tax on income in excess of Social Security taxable maximum. -----5 years service----	Same as CSRS .Cost formulas same as CIA proposal. Also includes Law Enforcement and Air Traffic Controllers .No Employee contribution equivalent to Social Tax on income in excess SocSec taxable maximum.
(3) A. Required Employee Contributions	7% of total pay; 7.5% for Law Enforcement and Fire Fighters			
(3) B. Vesting of Retirement Benefits	5 years service provided employee does not withdraw his own contributions.	5 years service.		-----5 years service----
(4) Salary Base	Average of high-3 years salary	Average of high-5 years salary	Average of high-3 years salary	Average of high-3 years salary.

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens/Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
5) Retirement Benefit Formula				
A. Non-special Categories	1.5% x first 5 yrs. service 1.75% x next 5 yrs. service 2.0% x yrs. of svc. over 10; all times salary base.	Options A & B .9% times first 15 yrs of service and 1.1% for all yrs over 15	Not applicable	1.0% times years of service plus supplement equal to Social Security payable between retirement date and Age 62
B. Special	Law enforcement officers and fire fighters may retire at age 50 & 20 years service. Benefit is 2.5% of high-3 times first 20 years of service, plus 2% times service beyond 20 years.	Law enforcement; fire fighters and air traffic controllers may retire at age 50 with 20 years of service or any age w/25 yrs. Supplement equal to social security payable between ages 55-62. Accrual rate 1.0% times years of service.	All regular CIA (non- CIARDS) employees-2 1/2% for all overseas/ qualifying service and and all other service in accord with current basic (1.5; 1.75; 2%) CSRS formula.	1.7% up to 20 yrs of svc and 1.5% thereafter plus supplement same as above Law enforcement and fire fighters may retire after age 50 with 20 yrs. Air traffic controllers may retire with 25 yrs of svc or after age 50 with 20 yrs of service
	Air traffic controllers may retire after 25 yrs or at age 50 & 20 yrs, with unreduced benefits under the regular formula, but not less than 50% of high-3.	National guard tech- nicians may retire at age 55 with 30 yrs. service, with no supplement payable.	Fire fighters - same as current CSRS for fire fighters. Accrual formulas will be constructed through a basic rate augmented by a supplement equal to social security payable between retirement date and age 62.	

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens/Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
	Other groups have special contributions and benefits. (E.G. Congressional Plan)	These classes may retire before age 55, if they have 25 years of service, with reduction of 5% per year below age 55, and with no supplement payable before 55. Other groups get the regular benefits of the plan.	Not Applicable	No special provisions cited for "other" special categories
(6) Eligibility for retirement				
(a) Unreduced	Age 55 w/30 yrs svc Age 60 w/20 yrs svc Age 62 w/5 yrs svc Age 50 w/20 yrs for special categories	Option A Age 62 w/5 yrs Option B Age 55 w/30 yrs Age 62 w/5 yrs Special Categories 50 w/20 or any age w/25 yrs	° 55 w/30 yrs svc ° 60 w/20 yrs svc ° 62 w/5 yrs svc ° 50 w/20 yrs svc (fire fighters only)	Same as proposed CIA but includes fire fighters, law enforcement and air traffic controllers under 50 w/20 provision.
(b) Reduced	No Provisions	Age 55 & 10 yrs svc	No Provisions	No Provisions
(c) Involuntary	Age 50 w/20 yrs Any age w/25 yrs svc	Age 50 w/20 yrs Any age w/25 yrs svc	° 50 w/20 yrs svc Any age w/25 yrs svc	Same as proposed CIA & CSRS
(d) Deferred	At least 5 years service and does not withdraw employee contributions.	At least 5 years service when employment terminates	Same as CSRS	Same as proposed CIA & CSRS

<u>Provision</u>	<u>Current CSRS</u>	<u>Stevens/Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
7) Amount of Retirement Benefits				
(a) Unreduced	None if eligibility cited in (6) above is met	None if eligibility met for Option A and B cited in (6) above.	Same as current CSRS	Same as Proposed CIA & CSRS
(b) Reduced	No Provisions	Option A (A) Age 55 & 30 yrs service, benefit reduced 2% for each yr under age 62 (B) Age 55 & 10 yrs service, benefit reduced 5% for each yr under age 62.	No Provisions	No Provisions
(c) Involuntary	Reduced 2% for each year under age 55	Option B Reduced 2% for each year under age 62 Age 55 w/10 yrs benefit reduced 5% for each yr under 62.	Reduced 2% for each yr under age 55	Same as proposed CIA & CSRS
(d) Deferred	Accrued benefit payable at age 62	Option A Full accrued benefit-payable at age 62. Reduced benefit can be elected when former employee attains age 55 with the service needed for early retirement (10 yrs. or 30 yrs.), with reductions at 5% or 2% per year under 62. Option B Full annuity if early retirement criteria met.	Accrued benefit at age 62.	Same as proposed CIA & CSRS

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens/Roth (July 1985)</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar (Oct 1985)</u>
		Can retire 55 w/10 yrs but w/5% reduction each year under 62.		
8) Refunds	Option to withdraw at separation sums contributed with benefits forfeited.	No contributions, thus no refund. Under Option A refunds given to Option B members	Same as CSRS	Same as proposed CIA & CSRS
(9) Cost-of- Living Adjust- ments (COLAs)	Annually, 100% of rate of inflation as measured by increased in Consumer Price Index (CPI)	Option A 0% up to Age 62 CPI -2% age 62-66 full age 67 & over Option B CPI -2% up to age 62 Full 62 & over special categories CPI -2% under 67 full over 67	In accord w/provisions of law applicable for all Federal employees	Same as CSRS
(10) Optional Forms of Benefits	Joint & Survivor annuity. (Survivor annuity is 55% of employee's unreduced annuity. If spouse dies first, annuity to employee is restored to unreduced amount.) Subsidized (Less than full actuarial reduction.)	1. Joint & Survivor annuity (Survivor is is 50% of employee's reduced annuity. If spouse dies first, annuity to employee is restored to unreduced amount.) 2. Social Sec. leveling option (benefits are higher at age 55-62, lower after 62.)	Same as current CSRS	Same as proposed CIA & CSRS
(11) Suspension of Benefits During Re-employment	Applies only to involuntary retirement cases.	Full actuarial reduction. Applies to all retirements.	Same as current CSRS	Same as proposed CIA & CSRS

<u>PROVISIONS</u>	<u>CURRENT CSRS</u>	<u>STEVENS/ROTH</u>	<u>PROPOSED CIA (NON-CIARDS)</u>	<u>FORD/OAKAR</u>
(1) Contribution (ex- cluded from gross in- come for tax purposes before account is paid out)				
(a) Paid by employee and matched by employer	NA	Opt A-Full match-up to 5% Opt B-Full match first 1% 1/2 match of 2-3% 1/4 match of 4-6%	Employee up to 6% of pay with employer matching .50 for each \$1.00	°Post 1983 Employees same as CIA °Pre-1984 employees no Government match
(b) Additional voluntary employee contributions, not matched by employer	NA	Opt A-Up to 5% of pay Opt B-Up to 4% of pay	up to 4% of pay Pre and post 1984 employees may participate.	°Same as CIA proposal
(2) Vesting	NA	Employee is immediately vested for own contri- butions, employer's phased in at 20% per year over 5 years.	To be determined based on provisions finally approved for federal system.	Same as Stevens/Roth
(3) Investments				
(a) Employee may elect investment of own account in:	NA	Fund A-Govt securities Fund B-fixed-income securities, using ins- urance company guaran- teed Investment Con- tracts (GICs) or other private-sector assets. Fund C-Equities, using an index fund (invested in proportion to a diversified common stock portfolio such as Stand- ard & Poor's 500 Stock Index)	CIA will follow invest- ment provisions approved for rest of federal system	°Employees may elect in- vestment of their own contributions in any options offered in the plan. °Govt monies invested in Treasury Securities for first 5 yrs then may be invested in any other options offered as elected by the employee.

II. VOLUNTARY CAPITAL ACCUMULATION PLAN (Cont'd)

<u>PROVISIONS</u>	<u>CURRENT CSRS</u>	<u>STEVENS/ROTH</u>	<u>PROPOSED CIA (NON-CIARDS)</u>	<u>FORD/OAKAR</u>
(b) Phase-in of private-sector investment option after thrift plan contributions		Contribu- Req'd to be in tions in govt securities <u>cal yr</u> <u>Employee</u> <u>Employer</u> 1986 NA NA 1987 100% 100% 1988 80% 100% 1989 60% 100% 1990 40% 100% 1991 20% 100% 1992 0 100% 1993 0 80% 1994 0 60% 1995 0 40% 1996 0 20%	In accordance with provisions approved for federal system	°After 5 yrs no restriction on amounts as elected by employee for private sector or govt securities investment
4) Payout of employee retirement accounts	NA	Employee may elect payout of vested account balance 1. As annuity 2. In cash (at retirement age or death). 3. As rollover to IRA (at termination of employment or death) Active employees may not withdraw funds. Hardship loans to employees are to be allowed on or after 1 January 1988.	Same as above	Not defined but assume same as Stevens/Roth

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
1) Preretirement death benefit, spouse or former spouse.	At death of active employee with 18 months service, surviving spouse get 55% of: (A) annuity earned at death, or, if larger, the lesser of (B) or (C). (B) 40% of salary base, or (C) annuity earned with service projected to age 60 at same salary base.	Surviving spouse (A) Any social security benefits payable. (B) At death of employee with 18 months service surviving spouse gets annuity equal to 50% of employee's earned annuity for service to date, without reduction and with service deemed to be at least 10 yrs in computing annuity. Annuity payments stop when surviving spouse remarries before age 55 or dies.	Same as CSRS	° Death of active employee at any age with 18 mo. service minimum surviving spouse benefit is no less than the lesser of: (a) 22% of high-3 salary or (b) the projected combined retirement system and Soc security benefit at the widow(er)'s Age 60 -- less Social Security.
2) Preretirement death benefit children	Unrelated to annuity; annually adjusted dollar amount varied by number of children, and whether or not orphaned.	None from plan; benefits provided by social security	Same as CSRS	Annual Benefit of \$2800 increases by future CPI Growth and fully offset children's portion of SocSec benefit. Benefit paid to age 18 for child not in shcool and until age 22 for child in school. Benefits continued after age 22 for disabled child.

<u>Provisions</u>	<u>Current CSRS</u>	<u>Stevens/Roth</u>	<u>Proposed CIA (Non-CIARDS)</u>	<u>Ford/Oakar</u>
3) Optional post-retirement death benefit, spouse or former spouse	55% of earned retirement annuity unless choice jointly rejected; option results in 2.5% reduction to first \$3,600 of annuity and 10% reduction to annuity over over \$3,600.	Annuity to married retiree is automatically reduced 10% as in a 50% joint-and-survivor option to to provide spouse a survivor annuity. (Automatic unless choice is jointly rejected.)	Same as CSRS	Employee electing survivor coverage has annuity reduced by 10%. Payment to surviving spouse is 50% of the unreduced annuity.
4) Children	Same as for pre-retirement death benefit.	None from plan; benefits provided from social security.	Same as CSRS	Same as Proposed CIA & CSRS
5) Special provisions for surviving former spouses, or new spouses due to marriage after retirement.	Benefits are the same as for surviving spouses, subject to elections and deposits in certain cases.	Benefits are the same as for surviving spouses, subject to election and deposits in certain cases.	Same as CSRS	Same as Proposed CIA & CSRS

IV. DISABILITY BENEFITS

<u>PROVISIONS</u>	<u>CURRENT CSRS</u>	<u>STEVENS/ROTH</u>	<u>PROPOSED CIA (NON-CIARDS)</u>	<u>FORD/OAKAR</u>
3) Disability Benefit Amounts	Annuity earned at onset or if greater, the lesser of (a) 40% of salary base, or (b) annuity based on service projected to age 60 at the same salary base.	60% of high-5, offset after 5 month waiting period by 100% of Soc. Sec. primary benefit, if any, payable to age 62. If employee meets only the occupational definition of disability, benefits are reduced one year after they begin to 40% or high-5, payable to age 55.	Same as CSRS but post-1983 employees also eligible for Soc. Sec. benefits must make election as to source of benefits If employee meets only the occupational definition of disability benefits are reduced 1 yr after they begin to 40% of high-5, payable to age 55. Disability benefit amounts have annual cost-of-living adjustments (COLAs) that are the same as under the basic pension plan.	Employees eligible for Soc. Sec. benefits no less than the lesser of: a) 20% of high-3 salary, or b) the retirement benefit projected to age 60. Employees not eligible for Soc. Sec. benefits receive the above formula plus a supplemental benefit until old-age Soc. Sec. benefits become payable at age 62.
4) Retirement benefits after disability	Disability pension continues for life if no recovery before normal retirement age.	During LTD benefit period, employee's service continues to be credited toward basic retirement benefit formula high-5 goes up by the same COLA used for the basic pension. After long term disability period ends, employee is eligible for retirement benefits based on age and service at that time.	Same as CSRS	Same as proposed CIA and CSRS

IV. DISABILITY BENEFITS

<u>PROVISIONS</u>	<u>CURRENT CSRS</u>	<u>STEVENS/ROTH</u>	<u>PROPOSED CIA (NON-CIARDS)</u>	<u>FORD/OAKAR</u>
1) Administration and eligibility	Administered by OPM if employee has 5 yrs of service for eligibility. Customarily paid after sick leave is used up.	Provided under separate Long-Term Disability (LTD) plan with third-party administrator. Disability benefits are paid first from unused sick leave, then after no further waiting period from LTD plan, if employee has 18 months of service for LTD eligibility.	Administered by DCI same eligibility as CSRS	Administered by OPM. Same eligibility as proposed CIA and CSRS
2) Definitions of disability	Unable to do any job for which the employee is qualified in the same agency at the same grade level	Employee must meet one of two definitions of disability: 1. Social Security definition: Unable to work in substantial gainful activity. 2. Occupational definition: Unable to do any job for which the employee is qualified in the same agency and commuting area, at the same grade level. During disability, total income may not exceed 60% of pay level for former job, and employee may be given physical exam.	Same as CSRS	Same as proposed CIA and CSRS

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V. ESTIMATED NORMAL COST (PERCENTAGE OF PAYROLL)

<u>Program Component</u>	<u>CURRENT CSRS</u>	<u>STEVENS/ROTH</u>	<u>PROPOSED CIA (NON-CIARDS)(1)</u>	<u>FORD/OAKAR</u>
Total Basic Defined Benefit Plan	32.0	11.7	21.1	19.3
Vol. Capital Accumulation Plan	N.A.	6.0	4.2	4.3
Social Security	<u>N.A.</u>	<u>11.8</u>	<u>11.8</u>	<u>11.8</u>
TOTAL COST OF PLAN	32.0	29.5	37.1	35.4
Employee Contributions				
°Defined Benefits	7.0	0	1.1	1.1
°Vol Capital Accumulation Plan	N.A.	3.0	2.8	2.9
°Social Security	<u>N.A.</u>	<u>5.9</u>	<u>5.9</u>	<u>5.9</u>
EMPLOYEE TOTAL COST	7.0	8.9	9.8	9.9
EMPLOYER TOTAL COST	25.0	20.6(2)	27.3	25.5

(1) Estimated costs based upon actuarial valuations provided by Hay Associates using same actuarial and economic assumptions currently used for Senate and House proposals.

(2) FEGLI now dropped from Stevens/Roth proposal (0.2%) as part of retirement plan.

Comparison Ford/Oakar Benefits with CSRS
Employee Entering in 1985 and Retiring at Age 55 W/30 yrs.
Calculated in terms of 1985 Salary Scale

Grade at Retirement	<u>GS - 11</u>	<u>GS - 15</u>	<u>SES</u>
Final Salary on 1985 Scale	\$33,419	\$62,714	\$68,700
<u>I Basic Benefits From CSRS (age 55)</u>			
° Defined Benefit	\$17,783	\$33,372	\$36,557
Replacement Rate	53.2%	53.2%	53.2%
<u>II Basic Benefit from Ford/Oakar (age 55)</u>			
° Defined Benefit	\$9,474	\$17,779	\$19,476
Replacement Rate	28.4%	28.4%	28.4%
° Social Security(2)(3)	\$5,548	\$5,958	\$5,977
Replacement Rate	16.6%	9.5%	8.7%
	<u>\$15,022</u>	<u>\$23,737</u>	<u>\$25,453</u>
Replacement Rate	45.0%	37.9%	37.1%
° With optional Capital Accom Plan	\$4,512	\$8,466	\$9,275
	13.5%	13.5%	13.5%
	<u>\$19,533</u>	<u>\$32,204</u>	<u>\$34,728</u>
	58.5%	51.4%	50.6%

Notes

- (1) Samples extracted from detailed analysis prepared by Edwin Hustead of Hay Associates.
- (2) To provide a steady level of retirement income for those retiring before age 62, Ford/Oakar provides a supplement (from basic plan fund) equal to the federally - earned social security benefit at age 62. At age 62, supplement ceases and regular social security benefit is payable.
- (3) Different percentages of Social Security income levels for different salary levels with same years of service reflects the "tilt" of benefit distribution inherent under Social Security law.

1-11-88 Supplemental Ret

ROTH/STEVENS REGULAR CIVIL SERVICE

OPTION B

BASIC PROVISIONS

- ° Age 55 Retirement
- ° .9% accrual (1st 15 years; 1.1% accrual (after 15 years) X years of service X high 5
- ° No supplemental annuity
- ° Thrift Plan - Maximum 10% employee contribution with government matching slightly less than one half up to 6% of employee contributions (Maximum gov't contribution 2.75%)
- ° Reduced COLA

AGENCY CSRS EMPLOYEES AGE 55 WITH 30 YEARS SERVICEUNDER SENATE OPTION B

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
REPLACEMENT RATE AT 55				
Pension	27%	27%	27%	27%
Supplement	0%	0%	0%	0%
Total	27%	27%	27%	27%
Thrift Plan	13%	13%	13%	13%
Total *	40%	40%	40%	40%
Current CSRS	53%	53%	53%	53%
REPLACEMENT RATE AT 62				
Pension	24%	24%	24%	24%
OASDI	17%	13%	10%	8%
Thrift Plan	13%	13%	13%	13%
Total	54%	50%	47%	45%
* Employee Contribution to Achieve Total:				
Social Security		5.7%		
Basic Pension Plan		1.3%		
Thrift Plan		6.0%		
TOTAL		13.0%		

NOTE: AMENDMENT TO HR 2672 REQUIRED TO PROVIDE OPTION B TO CIA EMPLOYEES

FORD/OAKAR REGULAR CIVIL SERVICE

BASIC PROVISIONS

- ° Age 55 Retirement
- ° 1% accrual X years of service X high 3
- ° Supplemental Annuity from retirement to age 62
- ° Thrift Plan - Maximum 10% employee contribution with government matching one half up to 6% of employee contributions (Maximum gov't contribution 3%)
- ° Full COLA

AGENCY CSRS EMPLOYEES AGE 55 WITH 30 YEARS SERVICEUNDER FORD/OAKAR

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
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REPLACEMENT RATE AT 55

Pension	28%	28%	28%	28%
Supplement	16%	12%	9%	8%
Total	44%	40%	37%	36%
Thrift Plan	14%	14%	14%	14%
Total *	58%	54%	51%	50%
Current CSRS	53%	53%	53%	53%

REPLACEMENT RATE AT 62

Pension	28%	28%	28%	28%
OASDI	17%	13%	10%	8%
Thrift Plan	14%	14%	14%	14%
Total	59%	55%	52%	50%

* Employee Contribution to Achieve Total:

Social Security	5.7%
Basic Pension Plan	1.3%
Thrift Plan	<u>6.0%</u>
TOTAL	13.0%

ROTH/STEVENS-SPECIAL CATEGORIES

BASIC PROVISIONS

- ° Age 50 Retirement
- ° 1% Accrual X years of service X high 5
- ° Supplemental annuity from Retirement to age 62
- ° Thrift Plan - Maximum 10% employee contribution with government fully matching up to 5% of employee contribution (Maximum gov't contribution 5%)
- ° Reduced COLA

CIARDS EMPLOYEES RETIRING AT AGE 50 WITH 25 YEARS OF SERVICEUNDER SPECIAL CATEGORY PROVISIONS

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
REPLACEMENT RATE AT 50				
Pension Plan	22%	22%	22%	22%
Supplement	14%	10%	8%	6%
Total	36%	32%	30%	28%
Thrift Plan	9%	9%	9%	9%
Total*	45%	41%	39%	37%
Current CIARDS	47%	47%	47%	47%
REPLACEMENT RATE AT 62				
Pension Plan	16%	16%	16%	16%
OASDI	15%	11%	9%	7%
Thrift Plan	9%	9%	9%	9%
Total	40%	36%	34%	32%

*Employee Contribution to Achieve Total:

Social Security	5.7%
Thrift Plan	<u>5.0%</u>
TOTAL	10.7%

FORD/OAKAR-SPECIAL CATEGORIES

BASIC PROVISIONS

- ° Age 50 Retirement
- ° 1.7% Accrual (1st 20 years); 1.5% (after 20) X years of service X high 3
- ° Supplemental annuity from Retirement to age 62
- ° Thrift Plan - Maximum 10% employee contribution with government matching one half up to 6% of employee contribution (Maximum gov't contribution 3%)
- ° Full COLA

CIARDS EMPLOYEES RETIRING AT AGE 50 WITH 25 YEARS OF SERVICEUNDER SPECIAL CATEGORY PROVISIONS

FINAL SALARY	<u>\$30,000</u>	<u>\$45,000</u>	<u>\$60,000</u>	<u>\$75,000</u>
REPLACEMENT RATE AT 50				
Pension Plan	39%	39%	39%	39%
Supplement	14%	10%	8%	6%
Total	53%	49%	47%	45%
Thrift Plan	9%	9%	9%	9%
Total*	62%	58%	56%	54%
Current CIARDS	47%	47%	47%	47%
REPLACEMENT RATE AT 62				
Pension Plan	39%	39%	39%	39%
OASDI	15%	11%	9%	7%
Thrift Plan	9%	9%	9%	9%
Total	63%	59%	57%	55%

*Employee Contribution to Achieve Total:

Social Security	5.7%
Basic Pension Plan	1.8%
Thrift Plan	<u>6.0%</u>
TOTAL	13.5%